

**REMARKS**

This Amendment is submitted in response to the Office Action dated February 2, 2004, having a shortened statutory period set to expire May 2, 2004. Claims 15 is pending. No amendments to the Claim have been made.

**Claim Rejections – 35 U.S.C. §103(a)**

On page 3 of the present Office Action, Claim 15 has been rejected under 35 U.S.C. §103(a) as being unpatentable over *Chang* (U.S. Patent No. 5,848,400) in view of *Arnold et al* (U.S. Patent No. 4,558,176) and further in view of *Rosen* (U.S. Patent No. 6,047,067) and further in view of *Doggett, et al.* (U.S. Patent No. 5,677,955). That rejection is respectfully traversed and reconsideration of the claim is requested.

Claim 15 in the present application includes the steps of:

*comparing, at said clearinghouse, said encrypted first copy of said electronic check that has been transmitted over an unsecure communication link to said encrypted second copy of said electronic check that has been transmitted over an unsecure communication link; and responsive to determining that said encrypted first copy of said electronic check matches said encrypted second copy of said electronic check and that the payment authorization has been received, processing, at said clearinghouse, a transaction transferring funds from said payor's bank to said payee's bank.*

On page 3 of the present Office Action, it is suggested that these steps of Claim 15 are suggested by the combination of *Chang*, *Arnold*, *Rosen* and *Doggett*. Applicants respectfully submit that nowhere is it suggested within these references to combine or modify them in way that renders the present invention obvious.

With specific reference to the Examiner's argument that such steps are suggested by the teaching of *Doggett* at col. 19, lines 31-65, Applicants respectfully submit that significant elements of the present invention are not shown or suggested by *Doggett* therein. For example, the step of "comparing" requires that each of the electronic checks be "encrypted." Nothing within *Doggett* suggests that an encrypted check is compared against another encrypted check.

Instead, *Doggett* describes that "the payees work station also receives the electronic check through its electronic mail and transport API's 306. The electronic check is integrated into the software at payee's workstation using an electronic check translator module that is acted upon by the software and application modules 308. The electronic check modules 310 include extraction of the check from the transmission, electronic check validation, and extraction of the remittance originally sent from the payee to the payor" (see column 19, lines 38-45). Thus, verification of the check is performed by the payee at its workstation using the "check translator module" to "extract" the check from the transmission and to perform check validation. *Doggett* confirms an electronic check is valid. It is quite clear that this teaching shows *Doggett* nowhere performs a comparison of checks, let alone a comparison of unencrypted checks. In other words, there appears to be nothing within *Doggett* that suggests the electronic check is compared against a copy of itself. Therefore, *Doggett* does not show or suggest comparing encrypted checks.

As taught by *Doggett*, essentially an electronic check is generated at the payor's work station, which is then transmitted via email to the payee's work station, where the electronic check is then validated and endorsed by the payee. The electronic check is then forwarded on to the payee's bank for deposit (col. 19, lines 32-50). The payee's bank then proceeds to forward the endorsed electronic check to the payor's bank the email. (see col. 19, lines 50-65). Essentially, this system is a round-robin system of passing the electronic check from the payor, to the payee, to the payee's bank and finally to the payor's bank to conduct the financial transaction. This "round-robin" process can be seen in Figure 17a and 17b transmitting the electronic check via email to the various parties. The one thing devoid from the teaching of *Doggett* is a "comparing" step where one copy of the electronic check is compared against a second. Consequently, *Doggett* cannot be showing or suggesting Claim 15 in the present application.

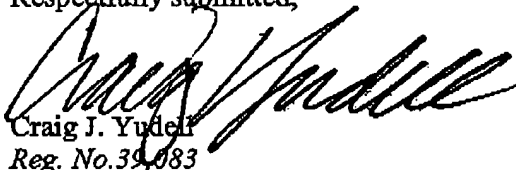
Claim 15 further recites transmitting a first encrypted check to the clearinghouse and transmitting a second encrypted copy of the check to the clearinghouse and then "comparing, at said clearinghouse," and further "processing, at said clearinghouse" the transaction. In contrast, *Doggett* clearly is teaching conducting the transaction between the payor and payee's banks

(Banking Institutions 16) without using an intermediary clearinghouse for the transaction. *Doggett* describes a traditional transaction in conjunction with Figure 2, including a Federal clearinghouse for processing the transaction. Figure 3 shows *Doggett's* invention utilizing only the payor and payee's banks in conjunction with the electronics check processing (in contrast to *Doggett's* Fig. 1, which shows a clearinghouse). As described at col. 1, lines 16-65, a traditional paper check transaction 20 is conducted with a single copy of the check. No comparison of two copies of the check is performed. As described in conjunction with Figure 3 at col. 7, lines 21-col. 8, line 59, *Doggett* describes a financial instrument 74 that is passed through the transaction, but nowhere describes comparing one copy of the instrument 74 with the second copy of Instrument 74, let alone making such comparison of encrypted copies of instrument 74, or further making such comparison at a clearinghouse within the path of the electronic check 74 in its stages of process throughout the financial network. Consequently, applicants respectfully submit that *Doggett*, taken individually or in combination with the other cited references, does not show or suggest the present invention.

**CONCLUSION**

Applicant respectfully submits, even taking the references as a whole, there is no suggestion in the prior art such that an artisan would find obvious a system for comparing two "encrypted" checks "at a clearinghouse" which has received the electronic checks via transmissions from a payee's bank and a payor's bank, as is recited in the claim in the present application. The references cited do not teach or suggest a way to make the claimed combination or suggest a reasonable expectation of success. Consequently, Applicant's respectfully submit that the rejection of Claim 15 as being obvious in light of the cited prior art should be reconsidered.

Respectfully submitted,



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